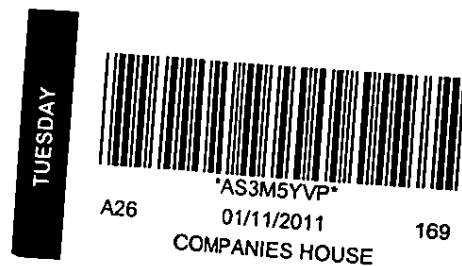


Registered number: 00117238

A A Clark Limited  
Directors' report and financial statements  
for the year ended 31 December 2010



# **A A Clark Limited**

## **Directors' report and financial statements for the year ended 31 December 2010**

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# **A A Clark Limited**

## **Directors and advisers for the year ended 31 December 2010**

### **Directors**

P Newton

P A Smith

B P Newton

### **Company secretary**

P A Smith

### **Registered office**

Goswell House

Shirley Avenue

Windsor

Berkshire

SL4 5LH

### **Independent auditors**

PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

Benson House

33 Wellington Street

Leeds

LS1 4JP

### **Solicitors**

K & L Gates

110 Cannon Street

London

EC4N 6AR

### **Bankers**

National Westminster Bank

12 High Street

Windsor

Berkshire

SL4 1LQ

The Royal Bank of Scotland

280 Bishopsgate

London

EC2M 4RB

# A A Clark Limited

## Directors' report for the year ended 31 December 2010

The directors submit their report and the audited financial statements of A A Clark Limited for the year ended 31 December 2010

### Principal activities

The principal activity of the company during the financial year was that of the repair of motor vehicles and property renting

### Review of the business

Turnover from continuing operations for the financial year on has decreased by 4% compared to the previous financial year reflecting tough trading conditions in the motor parts business The £1.2m rebuild of Arthur Road was completed on time and all three units have been let This development was completed without the need to raise additional funds

### Principal risks and uncertainties

The directors have assessed the major risks facing the business The principal risks of the business are

Principal Risk	Mitigating Factors
Reduction in motor repair work	With both Ford & Vauxhall franchises the company has access circa 25% of the market in the area of trading Further work is being sought by extending services to other makes of vehicle to mitigate any fall in service revenue
Property Rental income	All properties are currently leased out to third parties The shortest lease period remaining is now five years although one property has an option to determine in July 2012
Liquidity	Funding for the business is provided by shareholder loans and an overdraft facility of £100,000 guaranteed by a shareholder The overdraft was not called upon within 2010 These are considered sufficient for the future business needs
Debts	Third party debtors are monitored closely by the directors who set the credit limits for those companies

### Key performance indicators

The company uses financial and other ratios to measure performance including turnover and gross profit The continuing difficult trading conditions have seen a reduction in turnover although gross margins have increased from 36.2% (2009) to 36.7% in 2010

### Future developments

The company expects the repair of motor vehicles business to return to profit in 2011 and with rental income in total of £279k also expected in 2011 a significant improvement in the performance of the business is anticipated

# **A A Clark Limited**

## **Results and dividends**

The results of the company for the financial year under review are set out in the profit and loss account on page 7

The directors have not recommended the payment of a final dividend (2009 £nil)

## **Directors**

The following directors have held office since 1 January 2010 and up to the date of signing the report

P Newton

P A Smith

K J Eggins (resigned 4 June 2010)

B P Newton

# **A A Clark Limited**

## **Directors' report for the year ended 31 December 2010 (continued)**

### **Statement of directors' responsibilities**

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

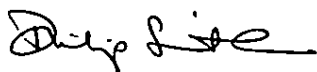
### **Disclosure of information to auditors**

The directors are also required to provide the company's auditors with all relevant audit information to enable them to complete their audit. So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware and the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

### **Independent auditors**

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office, and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

On behalf of the Board



P A Smith  
Director

# **A A Clark Limited**

## **Independent auditors' report to the members of A A Clark Limited**

We have audited the financial statements of A A Clark Limited for the year ended 31 December 2010 which comprise the profit and loss account, the balance sheet, the accounting policies and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

### **Respective responsibilities of directors and auditors**

As explained more fully in the statement of directors' responsibilities set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with chapter 3 of part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2010 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

## **A A Clark Limited**

### **Independent auditors' report to the members of A A Clark Limited (continued)**

#### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

Randal Casson (Senior Statutory Auditor)  
For and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Leeds



# A A Clark Limited

## Profit and loss account for the year ended 31 December 2010

	Note	2010 £	2009 £
<b>Turnover</b>			
- continuing operations		1,864,473	1,943,311
- discontinued operations		-	1,927,727
	1	1,864,473	3,871,038
<b>Cost of sales</b>			
- continuing operations		(1,180,467)	(1,238,983)
- discontinued operations		-	(1,763,023)
		(1,180,467)	(3,002,006)
Gross profit		684,006	869,032
<b>Other operating expenses (net)</b>			
- continuing operations		(666,645)	(551,708)
- discontinued operations		-	(183,650)
	2	(666,645)	(735,358)
<b>Operating profit</b>			
- continuing operations		17,361	152,620
- discontinued operations		-	(18,946)
	5	17,361	133,674
<b>Profit on ordinary activities before interest, taxation and exceptional items</b>		17,361	133,674
Exceptional Item – Write down of building costs	9	(145,999)	0
Interest receivable and similar income	3	1301	359
Interest payable and similar charges	4	(232,378)	(198,506)
<b>Loss on ordinary activities before taxation</b>		(359,715)	(64,473)
Tax on loss on ordinary activities	8	(62,760)	(57,318)
<b>Loss for the financial year</b>		(422,475)	(121,791)

The company has no recognised gains and losses other than the loss above and therefore no separate statement of total recognised gains and losses has been presented

There are no material differences between the loss on ordinary activities before taxation and the loss for the financial years stated above and their historical cost equivalents.

# A A Clark Limited

## Balance sheet as at 31 December 2010

	Note	2010 £	2009 £
<b>Fixed assets</b>			
Tangible assets	9	4,100,589	2,219,097
Investments	10	3,000,000	3,000,000
		<b>7,100,589</b>	<b>5,219,097</b>
<b>Current assets</b>			
Stocks	11	125,891	123,489
Debtors (including £2,716,904 (2009 £3,213,857) due after more than one year)	12	3,049,181	3,681,949
Cash at bank and in hand		372,472	348,529
		<b>3,547,544</b>	<b>4,153,967</b>
<b>Creditors - amounts falling due within one year</b>	13	<b>(885,164)</b>	<b>(405,617)</b>
<b>Net current assets</b>		<b>2,662,380</b>	<b>3,748,350</b>
<b>Total assets less current liabilities</b>		<b>9,762,969</b>	<b>8,967,447</b>
<b>Creditors - amounts falling due after more than one year</b>	14	<b>(4,708,605)</b>	<b>(4,708,605)</b>
<b>Net assets</b>		<b>5,054,364</b>	<b>4,258,842</b>
<b>Capital and reserves</b>			
Called up share capital	16	3,003,550	3,003,550
Revaluation reserve	17	2,583,544	1,365,547
Profit and loss account	17	(532,730)	(110,255)
<b>Total shareholders' funds</b>	18	<b>5,054,364</b>	<b>4,258,842</b>

The financial statements on pages 7 to 23 were approved by the board of directors on 18<sup>th</sup> October 2011 and were signed on its behalf by



P Newton  
Director

Registered number 00117238

# A A Clark Limited

## Accounting policies

### Basis of accounting

These financial statements are prepared on the going concern basis, under the historical cost convention, as modified by the revaluation of certain tangible fixed assets and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies are set out below.

### Cash flow statement

The company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS1, (revised 1996) 'Cash Flow statements'.

### Tangible fixed assets

Tangible fixed assets are stated at historical cost less accumulated depreciation.

Depreciation is provided on all tangible fixed assets other than freehold land and investment properties at rates calculated to write each asset down to its estimated residual value over its expected useful life, as follows:

Freehold buildings	over 50 years
Leasehold properties	over the remaining terms of the lease
Plant and machinery	20% reducing balance
Motor vehicles	on a straight line basis over an average of 3 years

Certain of the group's freehold land and buildings were revalued either by the directors in 2005 or by professional consultants in 2010.

In accordance with Statement of Standard Accounting Practice No 19 'Accounting for investment properties' investment properties are revalued annually and the aggregate surplus or deficit is transferred to a revaluation reserve. No depreciation is provided in respect of investment properties. This treatment may be a departure from the requirements of the Companies Act concerning depreciation of fixed assets. However, these properties are not held for consumption but for investment and the directors consider that systematic annual depreciation would be inappropriate. The accounting policy adopted is therefore necessary for the financial statements to give a true and fair view. Depreciation or amortisation is only one of many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

### Stocks

Stocks are valued on a first in, first out basis at the lower of cost and net realisable value.

Cost includes all expenditure incurred in the normal course of business in bringing stocks to their present location and condition.

Net realisable value is based upon estimated selling price less further costs expected to be incurred up to subsequent disposal.

### Pension contributions

The company participates in one defined contribution pension scheme operated on a group basis covering the majority of the permanent employees.

The pension costs charged in the financial statements represent amounts payable by the company during the financial year.

## **Accounting policies (continued)**

### **Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the group's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the years in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered.

### **Leased assets and obligations**

Where assets are financed by leasing agreements that give rights approximating to ownership ('finance leases'), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding lease commitments are shown as obligations to the lessor.

Lease payments are treated as consisting of capital and interest elements, and the interest is charged to the profit and loss account in proportion to the remaining balance outstanding.

All other leases are 'operating leases' and the annual rentals are charged to the profit and loss account on a straight line basis over the lease term.

### **Turnover**

Turnover represents the invoiced value, net of value added tax, of goods sold and services provided to customers. Turnover is recognised at point of sale.

### **Other Operating Income**

Other operating income is comprised of management charges and rental income. Management charges are recognised at point of invoice. Rental income is spread over the life of the lease period accounting for rent free periods where appropriate.

### **Exceptional Items**

Exceptional items comprise items of income and expense, including tax items, that are material in amount and unlikely to recur and which merit separate disclosure in order to provide an understanding of A A Clark's underlying financial performance. Examples of events giving rise to the disclosure of material items of income and expense as exceptional items include, but are not limited to, impairment events, disposals of operations or individual assets, litigation claims by or against A A Clark and the restructuring of components of A A Clark's operations.

### **Consolidation Exemption**

The company is a wholly-owned subsidiary of Aureole Windsor Limited and is included in the consolidated financial statements which are publicly available. Consequently, the company has taken advantage of the exemption from preparing consolidated statements under the terms of section 400 of the Companies Act 2006.

# **A A Clark Limited**

## **Notes to the financial statements for the year ended 31 December 2010**

### **1 Turnover**

The company's turnover derived from its principal activities wholly undertaken in the United Kingdom

### **2 Other operating expenses (net)**

	2010	2009
	£	£
Distribution costs	42,550	54,061
Administrative expenses	993,880	1,017,561
Other operating income	(369,785)	(336,264)
	666,645	735,358

### **3 Interest receivable and similar income**

	2010	2009
	£	£
Bank interest receivable	1,301	359

### **4 Interest payable and similar charges**

	2010	2009
	£	£
Other interest payable	232,378	198,506

## A A Clark Limited

### Notes to the financial statements for the year ended 31 December 2010 (continued)

#### 5 Operating profit

	2010	2009
	£	£
<b>Operating profit is stated after charging/(crediting):</b>		
Depreciation of tangible fixed assets		
- owned assets	35,094	25,005
Loss/(profit) on disposals of tangible fixed assets	2,287	(153,758)
Operating lease charges		
- land and buildings	95,780	93,604
Services provided by the company's auditors		
- fees payable for the audit	25,200	15,200

#### 6 Employees

The average monthly number of persons (including executive directors) employed by the company during the financial year was

By activity	2010	2009
	Number	Number
Office and management	7	9
Other	20	24
	27	33

Staff costs for the above persons

	2010	2009
	£	£
Wages and salaries	701,131	838,461
Social security costs	75,842	88,089
Other pensions costs	39,157	42,936
	816,130	969,486

## **A A Clark Limited**

### **Notes to the financial statements for the year ended 31 December 2010 (continued)**

#### **7 Directors' emoluments**

	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Wages and salaries	<b>150,588</b>	172,346
Amounts paid to money purchase pension schemes	<b>5,153</b>	6,108
Aggregate emoluments	<b>155,741</b>	178,454
Emoluments for qualifying service	<b>15,280</b>	12,346

The number of directors to whom retirement benefits are accruing under money purchase pension schemes amounted to 2 (2009 2)

Emoluments in respect of the highest paid director amounted to

	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Emoluments for qualifying service	<b>74,909</b>	74,704

# A A Clark Limited

## Notes to the financial statements for the year ended 31 December 2010 (continued)

### 8 Tax on loss on ordinary activities

#### (a) Analysis of tax charge in the financial year

	2010 £	2009 £
<b>Current tax:</b>		
Total current tax	-	-
<b>Deferred tax:</b>		
Origination and reversal of timing differences (note 15)	(57,548)	(57,318)
Change in tax rates or laws	(5,212)	-
<b>Tax on loss on ordinary activities</b>	<b>(62,760)</b>	<b>(57,318)</b>

#### (b) Factors affecting current tax charge

The tax assessed for the financial year is equal to (2009 higher) than the standard rate of corporation tax in the UK of 28% (2009 28%). The differences are explained below

	2010 £	2009 £
<b>Loss on ordinary activities before taxation</b>	<b>(359,715)</b>	<b>(64,473)</b>
Loss on ordinary activities multiplied by the standard rate of tax in the UK of 28% (2009 28%)	(100,720)	(18,052)
Effects of		
Non deductible expenses	53,266	(35,796)
Accelerated capital allowances	(59,608)	(56,983)
Other timing differences	(72)	(335)
<b>Group relief</b>	<b>107,134</b>	<b>111,166</b>
<b>Current tax</b>	<b>-</b>	<b>-</b>

The company has estimated losses of £nil (2009 £nil) available for carry forward against future trading profits



# A A Clark Limited

## Notes to the financial statements for the year ended 31 December 2010 (continued)

### 9 Tangible fixed assets

	Investment properties £	Freehold land and buildings £	Plant and machinery £	Motor vehicles £	Total £
<b>Cost or valuation</b>					
At 1 January 2010	210,212	1,989,139	263,702	22,066	2,485,119
Additions	-	2,060,860	6,735	-	2,067,595
Disposals	-	(199,999)	(58,330)	(6,298)	(264,627)
<b>At 31 December 2010</b>	<b>210,212</b>	<b>3,850,000</b>	<b>212,107</b>	<b>15,768</b>	<b>4,288,087</b>
<b>Depreciation</b>					
At 1 January 2010	-	54,000	189,955	22,066	266,021
Charge for the year	-	20,000	15,094	-	35,094
Disposals	-	(54,000)	(53,319)	(6,298)	(113,617)
<b>At 31 December</b>	<b>-</b>	<b>20,000</b>	<b>151,730</b>	<b>15,768</b>	<b>187,498</b>
<b>Net book amount</b>					
<b>At 31 December 2010</b>	<b>210,212</b>	<b>3,830,000</b>	<b>60,377</b>	<b>-</b>	<b>4,100,589</b>
At 31 December 2009	210,212	1,935,139	73,746	-	2,219,097

The company's investment properties were revalued at open market values at 31 December 2005 by the directors

Certain of the company's land and buildings were revalued at their open market values at 31 December 2010 by professional consultants

Certain of the company's land and buildings were revalued at their open market values at 31 December 1986 by professional consultants

Land and buildings disposals relates to the demolition of existing buildings in order to accommodate redevelopment of the site into three retail units

# A A Clark Limited

## Notes to the financial statements for the year ended 31 December 2010 (continued)

### 9 Tangible fixed assets (continued)

Cost or valuation at 31 December 2010 is represented by

	Investment properties £	Freehold land and buildings Freehold £	Plant & machinery £	Motor vehicles £	Total £
Valuation in 2010	-	2,271,809	-	-	2,271,809
Valuation in 2005	210,212	-	-	-	210,212
Valuation in 1986	-	311,735	-	-	311,735
Cost	-	1,266,456	212,107	15,768	1,494,331
	<b>210,212</b>	<b>3,850,000</b>	<b>212,107</b>	<b>15,768</b>	<b>4,288,087</b>

	Investment properties £	Land and buildings £
<b>Historical cost</b>		
At 1 January 2010	210,212	623,592
Additions	-	842,863
Disposals	-	(199,999)
<b>At 31 December 2010</b>	<b>210,212</b>	<b>1,266,456</b>
<b>Accumulated depreciation based on cost</b>		
At 1 January 2010	-	54,000
Charge for the year	-	20,000
Disposals		(54,000)
<b>At 31 December 2010</b>	<b>-</b>	<b>20,000</b>
<b>Net book value based on historical cost</b>		
<b>At 31 December 2010</b>	<b>210,212</b>	<b>1,246,456</b>
At 31 December 2009	210,212	569,592

# A A Clark Limited

## Notes to the financial statements for the year ended 31 December 2010 (continued)

### 10 Fixed asset investments

	Ordinary shares in group undertakings £
Cost or valuation	
At 1 January 2010 and at 31 December 2010	3,000,000

In the opinion of the directors the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the balance sheet

The company holds 100% of the equity of Windsor Vehicle Leasing Limited, a company registered in England and Wales whose activities are those of motor vehicle lessors

The directors believe that the value of fixed asset investments is supported by future profits

### 11 Stocks

	2010 £	2009 £
Finished goods and goods for resale	125,891	123,489

The replacement value of stocks is not materially greater than the balance sheet value

## A A Clark Limited

### Notes to the financial statements for the year ended 31 December 2010 (continued)

#### 12 Debtors

	2010	2009
	£	£
Trade debtors	164,991	191,979
Amounts owed by group undertakings	2,716,904	3,213,857
Other debtors	186	430
Prepayments and accrued income	83,923	129,746
Deferred tax asset (note 15)	83,177	145,937
	<b>3,049,181</b>	<b>3,681,949</b>

Amounts falling due after more than one year and included in the debtors above are

	2010	2009
	£	£
Amounts owed by group undertakings	2,716,904	3,213,857

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand

#### 13 Creditors - amounts falling due within one year

	2010	2009
	£	£
Trade creditors	262,819	276,768
Amounts owed to group undertakings	494,029	23,731
Taxation and social security	64,299	50,200
Accruals and deferred income	64,017	54,918
	<b>885,164</b>	<b>405,617</b>

The company has an overdraft facility of £100,000. The overdraft facility is guaranteed by Philip Newton, a shareholder in the company's ultimate parent. The facility was not used in 2010.

## A A Clark Limited

### Notes to the financial statements for the year ended 31 December 2010 (continued)

#### 14 Creditors - amounts falling due after more than one year

	2010	2009
	£	£
Other medium term loans	4,708,605	4,708,605

Other loans amounting to £415,000 (2009 £415,000) are secured by a charge over the company's freehold property. The lender has given an undertaking that they will neither seek nor expect repayment of this loan earlier than 1 September 2012.

Other loans amounting to £43,605 (2009 £43,605) are unsecured. These loans bear interest at commercial rates and are repayable on three months' notice. The lenders have given an undertaking that they will neither seek nor expect repayment of this loan earlier than 1 September 2012.

Other loans amounting to £4,250,000 (2009 £4,250,000) from Philip Newton, a director, are secured by a fixed and floating charge over the company's assets. This loan bears interest at commercial rates and is repayable on three months' notice no earlier than 1 September 2012.

#### 15 Deferred tax asset

	£
As at 1 January 2010	(145,937)
Charged to profit and loss account	62,760
<b>As at 31 December 2010 (note 12)</b>	<b>(83,177)</b>

Deferred tax is provided in the financial statements as follows

	2010	2009
	£	£
Capital allowances less than depreciation	(83,177)	(144,456)
Pension provision	-	(1,481)
	<b>(83,177)</b>	<b>(145,937)</b>

# A A Clark Limited

## Notes to the financial statements for the year ended 31 December 2010 (continued)

### 16 Called up share capital

	2010 £	2009 £
<b>Authorised</b>		
3,000,050 ordinary shares of £1 each	3,000,050	3,000,050
7,000 deferred shares of 50p each	3,500	3,500
	<b>3,003,550</b>	<b>3,003,550</b>
<b>Allotted and fully paid</b>		
3,000,050 ordinary shares of £1 each	3,000,050	3,000,050
7,000 deferred shares of 50p each	3,500	3,500
	<b>3,003,550</b>	<b>3,003,550</b>

In the event of winding up the shareholders of the ordinary shares have a right to repayment of capital in priority to any repayment of capital of the deferred shares. The deferred shares have no voting or dividend rights and do not participate in the distribution of any surplus on winding up.

### 17 Reserves

	Revaluation reserve £	Profit and loss account £
1 January 2010	1,365,547	(110,255)
Profit/(loss) for the year	-	(422,475)
Freehold Property revaluation	1,217,997	-
<b>31 December 2010</b>	<b>2,583,544</b>	<b>(532,730)</b>

## **A A Clark Limited**

### **Notes to the financial statements for the year ended 31 December 2010 (continued)**

#### **18 Reconciliation of movement in shareholders' funds**

	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Loss for the financial year	<b>(359,715)</b>	<b>(121,791)</b>
Reserve revaluation	<b>1,217,997</b>	<b>-</b>
Opening shareholders' funds	<b>4,258,842</b>	<b>4,380,633</b>
Closing shareholders' funds	<b>5,117,124</b>	<b>4,258,842</b>

#### **19 Commitments under operating leases**

At 31 December 2010 the company had annual commitments under non-cancellable operating leases as follows

	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Land and buildings		
- Under one year	<b>-</b>	<b>55,300</b>
- Within two to five years	<b>32,380</b>	<b>32,380</b>

#### **20 Contingent liabilities**

The company is included in group guarantees of the hire purchase loans and vehicle fleet loans of its subsidiary company. At 31 December 2010, the contingent liability in respect of these guarantees was £6,471,474 (2009 £6,587,302)

The company is included in a group registration for VAT purposes with its parent company and fellow subsidiaries. All members of the VAT group are jointly and severally liable for the total amount of VAT due and at 31 December 2010 the contingent liability in respect of this group registration was £70,931 (2009 £34,107)

# **A A Clark Limited**

## **Notes to the financial statements for the year ended 31 December 2010 (continued)**

### **21 Pension commitments**

#### **Defined contribution**

	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Contributions payable by the company for the financial year	<b>39,157</b>	42,936

### **22 Transactions with directors**

The company has received a loan of £4,250,000 from Philip Newton, a director. The loan is secured by a fixed and floating charge over the company's assets and is repayable on three months' notice. Interest payable on the loan during the year ended 31 December 2010 amounted to £ 297,500 (2009 £297,500).

### **23 Post Balance Sheet Events**

A A Clark has disposed of its garage servicing and parts business that operates out of its Bracknell leasehold location. This is an asset purchase agreement that completed on 3<sup>rd</sup> October 2011, which also assigns all operating leases associated with the garage servicing and parts business to the purchaser. The fixed assets relevant to that part of the business, together with parts stock and goodwill have been sold for a total consideration of £103,524. All 17 relevant staff have transferred to the purchaser.

A A Clark will continue to trade, generating rental income from its freehold and long leasehold properties, as well as management services to other group companies.

### **24 Parent undertakings and controlling party**

The immediate parent company is Aureole Windsor Limited a company incorporated in the United Kingdom.

At 31 December 2010, the ultimate parent company, which is also the parent for the largest and smallest group of undertakings for which the group financial statements are drawn up for and of which the company is a member was Aureole Windsor Limited a company incorporated in the United Kingdom.

Copies of the group financial statements may be obtained from Companies House, Crown Way, Mandy, Cardiff, CF14 3UZ.



## **A A Clark Limited**

### **25 Related party transactions**

Details of the company's ultimate parent are given in note 23

The company has taken advantage of the exemptions from disclosure of transactions with group companies available to subsidiary undertakings under Financial Reporting Standard No 8 'Related party disclosures' Details of other related party transactions are disclosed in the financial statements of Aureole Windsor Limited